

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7009**

**BILL NUMBER:** HB 1246

**NOTE PREPARED:** Dec 22, 2006

**BILL AMENDED:**

**SUBJECT:** Gas Tax Allocation.

**FIRST AUTHOR:** Rep. Brown T

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that the funds in the Motor Vehicle Highway Account (MVHA) are distributed only to cities, towns, counties, and the Department of Transportation (INDOT).

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** For FY 2004, FY 2005, and FY 2006, net State Police distributions from the MVHA have averaged approximately \$62.8 M. This bill eliminates the funding of the State Police from the MVHA. If the State Police do not receive \$62.8 M from the MVHA, INDOT will receive 53% of this amount, or \$33.3 M, while local units will receive 47%, or \$29.5 M.

The State Police currently receive funding from the state General Fund, the MVHA, and the Motor Carrier Regulation Fund. The state General Fund and the MVHA each contribute about 47% of total funding to the support of the State Police, while the Motor Carrier Regulation Fund contributes the remainder. The bill is silent as to the source of replacement funds to support the State Police. The most likely source may be the state General Fund; however, the funding source will ultimately depend on legislative appropriations.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Local units as recipients of MVHA distributions will receive an additional \$29.5 M per year based on the three-year average described above.

*Background Information:* A spreadsheet is available in the Office of Fiscal and Management Analysis

detailing the additional funds to local recipient entities.

**State Agencies Affected:** State Police; Department of Transportation.

**Local Agencies Affected:** Cities, towns, and counties.

**Information Sources:** Motor Vehicle Highway Account distributions for FY 2004, FY 2005, and FY 2006.

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